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May 5, 1994

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VIA HAND DELIVERY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Re: CC Docket No. 93-129

Dear Mr. Caton:

Transmitted herewith on behalf of Roseville Telephone Company is an original and 4 copies of its Reply to MCI's Comments in the Commission's 800 Data Base Access Tariff proceeding (CC Docket No. 93-129).

Should there be any questions regarding this matter, please contact the undersigned.

Very truly yours,



Paul J. Feldman
Counsel for
Roseville Telephone Company

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Enclosures

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BEFORE THE

Federal Communications Commission

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

WASHINGTON, D.C. 20554

In the Matter of)
800 Data Base Access Tariffs) CC Docket No. 93-129

To: The Secretary

REPLY OF ROSEVILLE TELEPHONE COMPANY

Roseville Telephone Company ("Roseville"), by its attorneys, hereby submits its Reply to the Comments of MCI in the Commission's 800 Data Base Access Tariff proceeding (CC Docket No. 93-129). MCI's Comments directly addressed only one matter in regards to Roseville's Direct Case supporting the rates proposed for its 800 Data Base Query Service ("800 DBQS"). Specifically, MCI includes Roseville in its list of carriers who allegedly failed to support their estimates for unbillable queries, with the alleged result of understated demand and excessive rates. MCI notes that there is a wide range of LEC estimates regarding percentage of unbillable queries. See Comments at page 46 and Appendix IV, Schedule B. MCI notes that Centel has already reduced its estimate from twenty to two percent, and thus asks the Commission to uniformly reduce to two percent, the estimate for unbillable queries used in the calculation of every carrier's tariff, unless that carrier can justify its estimate. As shown below, MCI's argument is flawed and inapplicable to Roseville, and should not be used to reject Roseville's 800 DBQS tariff.

First, MCI has failed to demonstrate that Centel's estimates are accurate. Without such a demonstration, Centel's estimates provide no basis for evaluation of the estimates of other carriers. Second,

and more importantly, even if the Centel estimate were accurate for Centel's operations, MCI admits that Centel's estimate should not be applied to other carriers, when an analysis of the actual facts regarding the history of unbillable queries for those carriers provides a result different than Centel's. Such is the case for Roseville.

In calculating costs, Roseville used historical data to project demand for 800 DBQS, and then reduced that demand estimate by five percent to compensate for unbillable queries. The five percent figure was based on Roseville's specific experience with its customers, and its operations. Subsequent to the filing of MCI's Comments, Roseville analyzed its actual provision of 800 DBQS from May of 1993 through March of 1994, in order to determine the validity of the five percent estimate used in calculation of its 800 DBQS Tariff (which was filed in March of 1993). The total number of queries that were charged to Roseville by its Service Switch Point ("SSP") provider during that period was compared to the total number of queries that Roseville charged to interexchange carriers for that same period. The analysis determined that the actual percentage of unbillable queries was 4.64 percent. These results clearly validate the figures used in its original cost estimates.

In rate-of-return regulation, carriers are supposed to set rates based on estimates of their actual costs. Roseville's 800 DBQS Tariff rates reflect Roseville's actual costs for unbillable queries. MCI has provided no basis in law or fact for the Commission to use Centel's estimates (even assuming that they are correct for Centel's operations) in the calculation of Roseville's rates. Accordingly, MCI's suggestion in this regard should be rejected.

Conclusion

Roseville has shown that its rates for 800 DBQS reflect its costs for the provision of that service, including costs for unbillable queries.¹ Roseville's 800 DBQS rates are just and reasonable, and accordingly, the Commission should approve its 800 DBQS Tariff.

Respectfully submitted,

ROSEVILLE TELEPHONE COMPANY

By: 
George Petzutsas
Paul J. Feldman

Its Attorneys

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May 5, 1994

¹ On page 48 of its Comments, MCI asserts that all carriers who provide query service by using the facilities of other carriers should be required to pass through any and all rate reductions to their end users. Roseville notes that it has already followed this practice. Roseville's provision of 800 DBQS requires it to utilize the services of Intelligent Network Services, Inc. ("INS"), a subsidiary of General Telephone ("GTE"). Through use of an INS STP hub, Roseville is connected to GTE's 800 data base, and Roseville's proposed charges for 800 DBQS, and the cost-support for those charges, was based in part on the charges proposed by INS for its connection of Roseville to the GTE data base. Subsequent to Roseville's filing of its 800 DBQS Tariff, INS informed Roseville that it was reducing the per query charge that it would assess on Roseville. Accordingly, in Transmittal No. 29, filed on May 10, 1993 pursuant to FCC Special Permission No. 93-349, Roseville revised its rates for 800 DBQS to reflect the flow-through in reductions in the rates charged to Roseville by its query service provider.

CERTIFICATE OF SERVICE

I, Inder Kashyap, an employee of Fletcher, Heald & Hildreth, hereby certify that a copy of the foregoing "Reply of Roseville Telephone Company", filed with the Federal Communications Commission on May 5, 1994, was served on that same day by first class U.S. mail, postage prepaid, to the following:

Carol R. Schultz, Esq.
MCI Telecommunications Corporation
1801 Pennsylvania Avenue, N.W.
Washington, D.C. 20006



Inder M. Kashyap